

less, the blenders credit would be 30 cents. The rate will vary when the price of crude is between \$50 and \$90 a barrel.

When oil prices are high, a natural incentive should exist in the market to drive ethanol use. The bill also would extend through the year 2016 the alternative fuel refueling property credit, the cellulosic producers tax credit, and the special depreciation allowance for cellulosic biofuel plant property.

Today, Senator THUNE and Senator KLOBUCHAR are introducing another bipartisan bill to immediately reduce and reform the ethanol tax incentive. It includes many of the same features as the bill I introduced last month, but it enacts the reforms this year. The approach of Senator THUNE also leads to significant deficit reduction.

The legislation we have introduced is a responsible approach that will reduce the existing blenders credit and put those valuable resources into investing in alternative fuel infrastructure, including alternative fuel pumps.

It would responsibly and predictably reduce the existing tax incentive and help get alternative fuel infrastructure in place so consumers can decide at the pump which fuel they would prefer. I know that when the American consumers have their choice, they will choose domestic, clean, affordable renewable fuel. They will choose fuel from America's farmers and ranchers rather than from oil sheiks and foreign dictators. Both of the ethanol reform bills I mentioned are supported by the ethanol advocacy groups. In an almost unprecedented move, the ethanol industry is advocating for a reduction in their Federal incentives. No other energy industry, whether it is fossil fuels or renewables, has come to the table to reduce their subsidies. No other energy advocate has come to me with a plan to reduce their Federal support.

In conclusion, I would like to address two points that ethanol opponents continue to make, despite facts to the contrary. First, ethanol and ethanol incentives are not a major factor in rising food and corn prices. The U.S. Secretary of Agriculture, Tom Vilsack, recently stated:

During the great run-up in food and commodity prices in 2007 and 2008, biofuel production played only a minor role, accounting for about 10 percent of the total increase in global prices.

But going back to that time or even more recently, listening to the big food manufacturers that are part of this coalition attacking ethanol, you would think the entire blame for the increase in the price of food is because of ethanol, even though ethanol consumes only 3 percent of the coarse grain produced in the entire world. A recent report by the Center for Agriculture and Rural Development concluded that only 8 percent of the increase in corn prices from 2006 to 2009 was due to ethanol subsidies. Further, they concluded that because of this small impact, it ". . . necessarily implies that the con-

tribution of ethanol subsidies to food inflation is largely imperceptible in the United States."

Second, ethanol reduces greenhouse gas emissions significantly compared to gasoline. The fact is, under the renewable fuels standard created in 2007, corn ethanol was required to reduce greenhouse gas emissions compared to gasoline by at least 20 percent. The fact is, corn ethanol exceeded that threshold. If you remove EPA's use of the murky science surrounding emissions from indirect land use changes, ethanol reduces greenhouse gas emissions by 48 percent compared to gasoline.

A recent peer-review study published in the Yale Journal of Industrial Ecology found that ethanol reduces greenhouse gas emissions by up to 59 percent compared to gasoline. Ethanol currently accounts for 10 percent of our gasoline fuel pool. A study found that the ethanol industry contributed \$3.4 billion to the Federal Treasury in 2009. That happens to be \$3.4 billion more than the ethanol incentive. Today, the industry supports 400,000 U.S. jobs. That is why I support homegrown, renewable, reliable biofuels.

I would rather our Nation be dependent upon renewable fuel producers across this country rather than relying on Middle Eastern oil sheiks or Hugo Chavez in Venezuela. None of those people like us, and some of them are using our own money to train terrorists to kill us. Instead, I would prefer we support our renewable fuel producers based right here in the continental United States. I would prefer we decrease our dependence on Hugo Chavez and not increase it. I certainly don't support raising the tax on gasoline during a weak economy.

I encourage my colleagues to vote no on the motion to invoke cloture on the Coburn amendment.

I yield the floor.

EXHIBIT 1

STEPTOE & JOHNSON LLP,
Washington, DC, April 1, 2011.

Hon. HARRY REID,
Majority Leader, U.S. Senate, Washington, DC.
Hon. MITCH MCCONNELL,
Minority Leader, U.S. Senate, Washington, DC.

DEAR LEADERS REID AND MCCONNELL: On behalf of our client, the Society of Independent Gasoline Marketers of America, SIGMA, I write to urge you to oppose efforts in Congress to prematurely or abruptly eliminate the Volumetric Ethanol Excise Tax Credit or VEETC. Increasing the tax paid on ethanol blended gasoline makes no sense at a time when consumer fuel prices are already high and the need to maximize domestic energy sources is so critical.

As the national trade association representing America's independent fuel marketers and chain retailers, SIGMA represents an important and innovative part of the America's fuel marketing industry. SIGMA's approximately 270 corporate members command some 37 percent of the petroleum retail market, selling 64 billion gallons of motor fuel each year. For more than 50 years, SIGMA has supported the nation's fuel marketers by encouraging policies that promote growth, innovation, and fairness in the industry, and competition in the marketplace to help keep consumer fuel costs down.

As the leading marketers of ethanol-blended fuel at the retail level, SIGMA's members and customers are the beneficiaries of VEETC. This incentive has been an extremely useful tool in helping the nation's fuel marketers and chain retailers deliver fuels to the market at a competitive price. By providing long term price competitiveness for ethanol blended fuels, VEETC also helps provide assurances to marketers and retailers that important infrastructure investments necessary to deliver these fuels will continue to provide returns, and not result in wasted improvements.

Simply put, SIGMA opposes recent moves to prematurely or abruptly end the subsidies without any consideration for future fuel and fuel-delivery costs. To end this incentive immediately would no doubt result in an immediate spike in consumers' fuel costs. SIGMA believes that a policy that provides an effective transition for the industry from the current tax structure, is a better alternative to the slash and cut budget strategy being promoted by some Members of Congress.

I thank you in advance for your support in this regard. If you have any questions or wish to discuss this matter further, please feel free to contact me.

Sincerely,

R. TIMOTHY COLUMBUS,
General Counsel to the Society of Independent
Gasoline Marketers of America.

The PRESIDING OFFICER. The Senator from New Jersey.

EXTENSION OF MORNING BUSINESS

Mr. MENENDEZ. Mr. President, I ask unanimous consent the period for morning business be extended until 7 p.m., with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MENENDEZ. Mr. President, I ask unanimous consent to speak in morning business for 25 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ECONOMIC POLICY

Mr. MENENDEZ. Mr. President, to the millions of Americans who are struggling to find jobs or make ends meet, this is simply stating the obvious, but I rise, a decade after we were told the Bush tax cuts for the wealthy would stimulate the economy and create jobs, to say they have done neither. A decade of the Bush tax cuts have proven what we knew from the beginning; that they disproportionately benefited the wealthy, shifted wealth, did nothing for the middle class, and nothing trickled down.

The tax cuts exploded the debt and continue to be an economic burden that has been twisted into a Republican mantra, an ironic rallying cry for what clearly is a failed economic policy. Yet adherence to the tax cuts for the wealthy is a Republican political litmus test, no matter how clear the evidence is that they have failed to deliver on the promise.

We again hear our colleagues on the other side of the aisle pursuing their “my way or the highway” approach to legislating. This time they are protecting these failed tax policies in the current debt limit negotiations, and they are putting tax cuts for millionaires ahead of poor seniors in nursing homes.

These are the very same tax cuts for millionaires that helped get us into this fiscal mess, and they should most certainly be on the table to help us get out. It is like my Republican colleagues have thrown a lavish dinner party for the past decade and now they want us to pick up the check. What we are saying is: Let’s go dutch and share the tab.

Ten years later, it is abundantly clear that tax cuts for the wealthy are nothing more than an ideological and political pivot point, not a sustainable economic policy. Our Republican colleagues use this failed notion as a one-size-fits-all for political sleight of hand for all economic circumstances: tax cuts in bad times, tax cuts in good times, tax cuts in all types of economic circumstances. That is not policy, it is a convenient bumper sticker slogan.

Our Republican friends on the other side come to the floor prepared to end Medicare as we know it. They come to the floor prepared to slash government to the bone. But they are unwilling to even entertain revisiting this failed economic policy, unwilling to consider adding a single penny to the revenue side of the equation by limiting this blind giveaway to those who need it the least. They will not entertain asking the wealthiest to be part of the solution for America, and I believe if asked, they would be. They would not put tax cuts on the table but have made ending Medicare, as we know it, the centerpiece. They told us from the beginning that wealth will trickle down, tax cuts will lift all boats, those who get the benefit of the cuts will do what is right for America and its people and create American jobs for American families. Well, the facts do not suggest such an altruistic outcome. Tax cuts for the wealthy have turned out to be the greatest failed jobs program in American history. All of the grand promises aside, all of the rhetoric about job growth and economic stimulus, all of that lofty rhetoric aside, just 3 years after the Bush tax cuts in June of 2004, we lost almost 1 million jobs, more than 300,000 jobs a year for each year of 3 years.

The fact is this economic policy did not stimulate job growth at home, but it did create job transfers abroad. Factories closed, jobs went overseas, services were outsourced. The rich got richer and tax cuts produced no jobs in America for 3 years. None. In April of 2003, almost 2 years after the tax cuts were passed, President Bush stood before the American people and said:

These tax reductions will bring real and immediate benefits to middle income Americans. By speeding up the income tax cuts, we

will speed up economic recovery and the pace of job creation.

He called the tax cuts “a victory for fairness and a vote for economic growth.”

The fact is the Bush tax cuts coincided with the most anemic economic expansion of the postwar period. It exploded the deficit and the debt and concentrated wealth at the top unlike any concentration of wealth since the Gilded Age of the late 19th century. This, in addition to two wars unpaid for in Iraq and Afghanistan, a new entitlement program passed by Republicans unpaid for, and a marketplace that instead of being a free market was a free-for-all market created the excesses that brought us to the culmination of 2008’s incredible economic challenge to this country on the verge of a potential new depression and drove so much of the debt the Nation faces today.

For all the rhetoric from the right, the Bush tax cuts have been the greatest failed jobs program and the most ineffective economic stimulus effort in our history, succeeding only in creating a new class of super-rich in America.

Let’s talk about this shift in wealth from the last decade. As much as my Republican colleagues tried to twist themselves into knots and jump through elaborate hoops to disprove the obvious, the facts are clear. Ten years later and the Bush tax cuts have disproportionately widened the income gap to a point today where the wealthiest 1 percent of households in this country owns almost 40 percent of all private wealth in this country, more wealth than the bottom 90 percent of all Americans combined. Think about it. The wealthiest 1 percent of households in this country owns 40 percent of all private wealth, more than almost all of the rest of us combined. That is an extraordinary shift in wealth in the 10 years since the tax cuts were enacted that has cost this Nation \$2.5 trillion in revenue with about 40 percent of the benefits going to households with incomes over \$380,000. Yet our friends on the other side say no to a single mother who sits up in the middle of the night with a sick child wondering if she can afford to take that child to the doctor, praying she can afford the medicine that child needs and still put food on the table, hoping she will be able to keep her job and her health care plan.

All that wealth at the top and Republicans have said no to a young student who needs a Pell grant so he or she can get the education they need to succeed. All that wealth at the top and Republicans have said no to a mom-and-pop grocery store owner who cannot get the capital they need to make repairs or expand. Our friends on the other side have looked into the eyes of that mother, that student, that store owner and said, no; no to health care, no to education, no to small business capital. They even said no to extending unemployment benefits, but asking the

wealthy to pay their fair share is off the table. The one thing they have said yes to is ending Medicare as we know it and leaving seniors to fend for themselves.

I have been visiting senior centers in my home State of New Jersey. I just came from, earlier today, to hear thoughts on the current budget discussions of Medicare. A typical 65-year-old at these meetings under the Republican budget proposal would pay an additional \$7,000 by the year 2022. Right now over 140,000 seniors in New Jersey are paying more for their medications because they fall into that doughnut hole.

Under the Republican plan, those New Jersey seniors will pay an additional \$80 million for prescription drugs next year, and by 2020 seniors currently in the doughnut hole will pay an additional \$1.6 billion. Nationwide nearly 4 million seniors will pay \$2.2 billion more for prescription drugs in 2012 alone under the Republican plan, a plan that would end Medicare and would also force at least 1 million seniors to pay over \$110 million more for annual wellness visits in 2012. Then turning to Medicaid, looking to turn that into a block grant program, the Republican plan could cost America more than 2 million private sector jobs over the next 5 years and threaten our economic recovery.

That is not all. Nationwide the Republican plan could cut more than \$503 billion in Medicaid funding for seniors, for the disabled, including lifesaving nursing home care, leaving us with the uncomfortable and unanswerable question I pose to my Republican friends: What will those fellow Americans do? Where will they go? What happens to them under the Republican budget plan? These are people, not budget numbers. What happens to them?

Something is wrong with that picture of America. It is not the America I know. Something is fundamentally wrong when we let seniors fend for themselves and enact policies that lead to inequalities in income and wealth that are the most skewed since the Gilded Age and the Great Depression. How many years are we going to buy into the failed negotiation of trickle-down voodoo economics that reward the winners and leave the middle class behind?

We all know we need to cut wasteful spending, we all know we need to balance the budget, and we have done it before. It wasn’t that long ago that, in fact, during another Democratic administration we had budget surpluses as far out as the eye could see. How quickly we forget the day Bill Clinton left office he handed the incoming President a \$236 billion surplus with a projected surplus of \$5.6 trillion over the next 10 years. When President Bush left office, he turned a \$236 billion surplus into a \$1.3 trillion budget deficit with projected shortfalls of over \$8 trillion over the next decade and handed the new President, President Obama, an economy headed off the cliff.

Now our Republican colleagues want to go back to the same failed policies. They want to give more tax cuts to millionaires and billionaires, continue subsidies to Big Oil while they end Medicare as we know it and gut Pell grants and all that they mean to our economic future. They insist on tax cuts that will cost \$700 billion on the revenue side over the next 10 years and trillions more by slashing tax rates for the wealthy and the powerful.

Those making more than \$1 million a year will see a windfall of \$125,000 each from the tax cuts and tens of thousands of dollars more for proposed tax rate cuts while people in my home State lose \$34 billion in health benefits and 400,000 New Jerseyans end up without health coverage at all. They want to shift the balance to millionaires and billionaires while making Draconian cuts to health care benefits for seniors.

Cuts do not reflect our value as a people or as a nation. Even a majority of tea partiers think it is a bad idea according to recent polls. I am reminded that our distinguished Republican colleagues are symbolized in their party by an elephant, a large animal that never forgets. Our Republican colleagues have forgotten what Vice President Cheney told America on national television as he was waging two wars, both unpaid for. He said, "Deficits don't matter." Vice President Cheney: "Deficits don't matter."

Well, Republicans have apparently forgotten President Bush's own words on April 16, 2001, about the benefits of favoring the wealthiest Americans:

Tax relief will create new jobs. Tax relief will generate new wealth, and tax relief will open new opportunities.

He was right about one thing; it created new wealth and new opportunities—all of them at the top. But show me the jobs. Show me the new opportunities for middle-class families. Show me what it did to keep our economy on track and protect hard-working families from losing their homes in mortgage schemes and hedge fund gambles that stole the wealth of middle-class families taking us to the brink of economic ruin.

Let's look at the simple facts about the Bush tax cuts 10 years later. The top one-tenth of 1 percent of American wage earners, those earning more than \$3 million a year, received an average tax cut of \$520,000 each—far more than most American families dream of making—a tax cut more than 450 times larger than the meager tax cut of an average middle-class wage earner. Those earning over \$3 million benefited from lower tax rates on capital gains; lower tax rates on dividends, and lower marginal rates for the top two tax brackets.

From 2002 to 2007, the top 1 percent of American wage earners enjoyed 65 percent of the total income gains during that 5-year period. In those 5 years nothing trickled down. In fact, real hourly earnings fell by almost 2 percent for men in the bottom 10 percent

of wage earners. It fell one-half of 1 percent for men in the middle of the 50th percentile but increased almost 3 percent for men in the top 10 percent. Nothing trickled down.

If the Bush tax cuts were designed as a stimulus, they failed again. Moody's has said making the cuts permanent would generate only 35 cents in economic activity per dollar they cost.

Under the American Recovery Act, the payback would be \$1.17 for every dollar of the Making Work Pay credit and \$1.38 for the child tax credit. Clearly, the stimulus effect of the Bush cuts was not a stimulus at all. As far as the debt is concerned, from 2001 to 2010 the cuts added \$2.6 trillion to the debt, 50 percent of the total accrued during that 10-year period. The fact is the Bush cuts averaged out to lower revenue levels as a share of the economy than any previous decade since the 1950s, even as we have America's sons and daughters in two wars waging abroad, unpaid for. The extension of the cuts in the December tax bill is projected to decrease revenues by \$432 billion, from 2012 to 2021, making the total costs more than \$5 trillion over the next decade. Yet Republicans will not put any of that \$5 trillion on the table, not even the tax cuts for millionaires, but they will happily end Medicare as we know it and kick poor seniors out of their nursing homes. This is something we cannot let happen.

So, Mr. President, as I have said before on the floor of the Senate, in their ideological haze they seem to have lost sight of the real people whose lives would be affected by the choices we make. The Republican vision of America is about the bottom line. It seems to me they failed to realize that budgets are not just about numbers, budgets are about people, their hopes, their dreams, their expectations for a better life for themselves and their children. They are about the promise of this country and the dream we have come to expect, the vision we have of safe, clean, vibrant communities in which to raise our families.

Budgets are a reflection of our values, not a faceless calculation of pluses and minuses just to reach an arbitrary number regardless of the impact on middle-class families looking to get back to work and pay the bills. All of us have a budget. Maybe it is not a formal budget, but we all have one. On the revenue side we have what we earn from gainful employment, investments, interest on savings. On the flip side we have our expenses, mortgage payments, groceries, utilities, and we have our contributions perhaps to our church or synagogue or donations to a favorite charity or a worthy cause. These are expressions of our personal values, just as the Nation's budget is an expression of its collective values.

We may not always think of the budget in those terms, but we should. It is about our values. The Bush tax cuts enacted a decade ago are antithetical to the values that we as a people

and nation have. Middle-class families and seniors should not be left to pay the tab for a decade of lavish tax cuts that did nothing but make millionaires richer. Those tax breaks helped us to get into this mess, and they certainly should be on the table to help us get out of it. If we do that, then we have the wherewithal to do what we did once again under President Clinton: Balance the budget for the first time in a generation, create record surpluses, low unemployment, low interest rates, low inflation, and the greatest peacetime economy in over a generation. Those are the choices before the Senate and the country, and I hope we can get our colleagues to understand the right choice on behalf of the Nation's progress and prosperity.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

COBURN AMENDMENT

Mr. FRANKEN. Mr. President, I rise today to express my strong opposition to the amendment offered by my colleague from Oklahoma which we will be voting on tomorrow. Before I talk about the substance of the amendment, I wish to comment on the procedure through which it was offered. There was no warning to Senate leadership or to any of our colleagues. And while technically it wasn't in violation of Senate rules, it undermines the basic comity that makes this body work. It is a disservice to do business this way—to our colleagues, to bipartisanship, and to the American people who sent us in Washington to get work done by working together. So I am disappointed in the way this was handled.

Now let me talk about the amendment itself. Today, families in Minnesota and around the country are paying painfully high prices at the pump as oil still hovers around \$100 a barrel. What this amendment does is cut the legs out from under the most viable alternative to foreign oil we have. Despite decade after decade of rhetoric about weaning our country off foreign oil, we are still dependent on it. And while about a third of our oil imports comes from Canada and Mexico, close to half come from the Persian Gulf, Africa, or Venezuela.

Last year at this time we were dealing with the gulf oilspill, the worst environmental catastrophe we have ever had. That was maybe the most jarring reminder of what has been clear for decades—that we have to kick our addiction to oil. While that is not something we can do overnight, we need to do everything in our power to transition to alternatives.

There is no more viable alternative than biofuels. Today, the industry that has been most successful in displacing oil is under attack. We are talking about an industry using homegrown American resources, an industry that has created thousands of jobs and catalyzed economic development across